



3015 (02-09-04)

ANNUAL REPORT

OF

Name: EMBARRASS WATER & SEWER UTILITY

Principal Office: EMBARRASS, WI 54933

For the Year Ended: DECEMBER 31, 1997

**WATER, ELECTRIC, OR JOINT UTILITY
TO
PUBLIC SERVICE COMMISSION OF WISCONSIN**

P.O. Box 7854
Madison, WI 53707-7854
(608) 266-3766

This form is required under Wis. Stat. § 196.07. Failure to file the form by the statutory filing date can result in the imposition of a penalty under Wis. Stat. § 196.66. The penalty which can be imposed by this section of the statutes is a forfeiture of not less than \$25 nor more than \$5,000 for each violation. Each day subsequent to the filing date constitutes a separate and distinct violation. The filed form is available to the public and personally identifiable information may be used for purposes other than those related to public utility regulation.

SIGNATURE PAGE

I JOANN POLZIN of _____
(Person responsible for accounts)

_____, certify that I
(Utility Name)

am the person responsible for accounts; that I have examined the following report and, to the best of my knowledge, information and belief, it is a correct statement of the business and affairs of said utility for the period covered by the report in respect to each and every matter set forth therein.

	03/06/1998
(Signature of person responsible for accounts)	(Date)

VILLAGE CLERK _____
(Title)

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IDENTIFICATION AND OWNERSHIP

Exact Utility Name: EMBARRASS WATER & SEWER UTILITY**Utility Address:** EMBARRASS, WI 54933**When was utility organized?** 7/1/1961**Report any change in name:****Effective Date:****Utility Web Site:**

Utility employee in charge of correspondence concerning this report:

Name: JOANN POLZIN**Title:** VILLAGE CLERK**Office Address:**P.O. BOX 126
EMBARRASS, WI 54933**Telephone:** (715) 823 - 2371**Fax Number:****E-mail Address:** NA

Individual or firm, if other than utility employee, preparing this report:

Name: MR STEVEN G HANDRICK CPA**Title:****Office Address:** HAWKINS, ASH, BAPTIE & CO. LLP205 DOTY STREET
P.O. BOX 610
GREEN BAY, WI 54305**Telephone:** (920) 432 - 2999**Fax Number:** (920) 432 - 2590**E-mail Address:** SHANDRICK@HABCO.COM

Are records of utility audited by individuals or firms, other than utility employee? NO

Individual or firm, if other than utility employee, auditing utility records:

Name: NONE**Title:****Office Address:****Telephone:****Fax Number:****E-mail Address:****Date of most recent audit report:****Period covered by most recent audit:**

IDENTIFICATION AND OWNERSHIP

Names and titles of utility management including manager or superintendent:

Name: MR HAROLD SCHREIBER**Title:** SUPERINTENDENT**Office Address:**P.O. BOX 126
EMBARRASS, WI 54933**Telephone:** (715) 823 - 4131**Fax Number:****E-mail Address:**

Name of utility commission/committee:

Names of members of utility commission/committee:

WALLACE ANTON
KEVIN KRUEGER
OWEN MUTHIG
JOHN ZIEREIS

Is sewer service rendered by the utility? YES**If "yes," has the municipality, by ordinance, combined the water and sewer service into a single public utility, as provided by Wis. Stat. § 66.077 of the Wisconsin Statutes? NO****Date of Ordinance:**

Are any of the utility administrative or operational functions under contract or agreement with an outside provider for the year covered by this annual report and/or current year (i.e., operation of water or sewer treatment plant)? NO

Provide the following information regarding the provider(s) of contract services:

Firm Name:**Contact Person:****Title:****Telephone:****Fax Number:****E-mail Address:**

Contract/Agreement beginning-ending dates:**Provide a brief description of the nature of Contract Operations being provided:**

INCOME STATEMENT

Particulars (a)	This Year (b)	Last Year (c)	
UTILITY OPERATING INCOME			
Operating Revenues (400)	50,825	54,215	1
Operating Expenses:			
Operation and Maintenance Expense (401)	22,401	26,621	2
Depreciation Expense (403)	6,223	6,077	3
Amortization Expense (404)	0	0	4
Taxes (408)	3,792	3,989	5
Total Operating Expenses	32,416	36,687	
Net Operating Income	18,409	17,528	
Income from Utility Plant Leased to Others (412-413)	0		6
Utility Operating Income	18,409	17,528	
OTHER INCOME			
Income from Merchandising, Jobbing and Contract Work (415-416)	0		7
Nonoperating Rental Income (418)	0		8
Interest and Dividend Income (419)	1,357	1,376	9
Miscellaneous Nonoperating Income (421)	0		10
Total Other Income	1,357	1,376	
Total Income	19,766	18,904	
MISCELLANEOUS INCOME DEDUCTIONS			
Miscellaneous Amortization (425)	0		11
Other Income Deductions (426)	0		12
Total Miscellaneous Income Deductions	0	0	
Income Before Interest Charges	19,766	18,904	
INTEREST CHARGES			
Interest on Long-Term Debt (427)	0	154	13
Amortization of Debt Discount and Expense (428)	0		14
Amortization of Premium on Debt--Cr. (429)	0		15
Interest on Debt to Municipality (430)	0		16
Other Interest Expense (431)	0		17
Interest Charged to Construction--Cr. (432)	0		18
Total Interest Charges	0	154	
Net Income	19,766	18,750	
EARNED SURPLUS			
Unappropriated Earned Surplus (Beginning of Year) (216)	89,800	71,050	19
Balance Transferred from Income (433)	19,766	18,750	20
Miscellaneous Credits to Surplus (434)	0		21
Miscellaneous Debits to Surplus--Debit (435)	0		22
Appropriations of Surplus--Debit (436)	0		23
Appropriations of Income to Municipal Funds--Debit (439)	0		24
Total Unappropriated Earned Surplus End of Year (216)	109,566	89,800	

INCOME STATEMENT ACCOUNT DETAILS

1. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.
2. Nonregulated sewer income should be reported as Miscellaneous Nonoperating Income, Account 421.

Description of Item (a)	Amount (b)	
Revenues from Utility Plant Leased to Others (412):		
NONE		1
Total (Acct. 412):	0	
Expenses of Utility Plant Leased to Others (413):		
NONE		2
Total (Acct. 413):	0	
Nonoperating Rental Income (418):		
NONE		3
Total (Acct. 418):	0	
Interest and Dividend Income (419):		
SAVINGS & CDs	1,357	4
Total (Acct. 419):	1,357	
Miscellaneous Nonoperating Income (421):		
NONE		5
Total (Acct. 421):	0	
Miscellaneous Amortization (425):		
NONE		6
Total (Acct. 425):	0	
Other Income Deductions (426):		
NONE		7
Total (Acct. 426):	0	
Miscellaneous Credits to Surplus (434):		
NONE		8
Total (Acct. 434):	0	
Miscellaneous Debits to Surplus (435):		
NONE		9
Total (Acct. 435)--Debit:	0	
Appropriations of Surplus (436):		
Detail appropriations to (from) account 215		10
Total (Acct. 436)--Debit:	0	
Appropriations of Income to Municipal Funds (439):		
NONE		11
Total (Acct. 439)--Debit:	0	

INCOME FROM MERCHANDISING, JOBBING & CONTRACT WORK (ACCTS. 415-416)

Particulars (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Revenues (account 415)					0	1
Costs and Expenses of Merchandising, Jobbing and Contract Work (416):						
Cost of merchandise sold	0				0	2
Payroll	0				0	3
Materials	0				0	4
Taxes	0				0	5
Other (list by major classes):						
NONE	0				0	6
Total costs and expenses	0	0	0	0	0	
Net income (or loss)	0	0	0	0	0	

REVENUES SUBJECT TO WISCONSIN REMAINDER ASSESSMENT

1. Report data necessary to calculate revenue subject to Wisconsin remainder assessment pursuant to Wis. Stat. § 196.85(2) and Wis. Admin. Code Ch. PSC 5.
2. If the sewer department is not regulated by the PSC, do not report sewer department data in column (d).

Description (a)	Water Utility (b)	Electric Utility (c)	Sewer Utility (Regulated Only) (d)	Gas Utility (e)	Total (f)	
Total operating revenues	50,825	0	0	0	50,825	1
Less: interdepartmental sales	0		0		0	2
Less: interdepartmental rents	0				0	3
Less: return on net investment in meters charged to regulated sewer department. (Do not report if nonregulated sewer.)	0				0	4
Less: uncollectibles directly expensed as reported in water acct. 904 (690 class D), sewer acct. 843, and electric acct. 904 (590 class D) -or- Net write-offs when Accumulated Provision for Uncollectible Accounts (acct. 144) is maintained					0	5
Other Increases or (Decreases) to Operating Revenues - Specify:						
NONE					0	6
Revenues subject to Wisconsin Remainder Assessment	50,825	0	0	0	50,825	

BALANCE SHEET

Assets and Other Debits (a)	Balance End of Year (b)	Balance First of Year (c)	
UTILITY PLANT			
Utility Plant (100)	347,926	347,056	1
Less: Accumulated Provision for Depreciation and Amortization of Utility Plant (110)	134,779	128,357	2
Net Utility Plant	213,147	218,699	
OTHER PROPERTY AND INVESTMENTS			
Nonutility Property (121)	0	0	3
Less: Accumulated Provision for Depreciation and Amortization of Nonutility Property (122)	0	0	4
Net Nonutility Property	0	0	
Investment in Municipality (123)	0		5
Other Investments (124)	1,411	1,411	6
Special Funds (125)	0		7
Total Other Property and Investments	1,411	1,411	
CURRENT AND ACCRUED ASSETS			
Cash and Working Funds (131)	81,455	58,315	8
Temporary Cash Investments (132)			9
Notes Receivable (141)	0		10
Customer Accounts Receivable (142)	8,696	8,560	11
Other Accounts Receivable (143)	0	2,243	12
Accumulated Provision for Uncollectible Accounts- -Cr. (144)	0	0	13
Receivables from Municipality (145)	0		14
Materials and Supplies (150)	0	0	15
Prepayments (165)	0	320	16
Other Current and Accrued Assets (170)			17
Total Current and Accrued Assets	90,151	69,438	
DEFERRED DEBITS			
Unamortized Debt Discount and Expense (181)	0		18
Extraordinary Property Losses (182)	0		19
Other Deferred Debits (183)	0		20
Total Deferred Debits	0	0	
Total Assets and Other Debits	304,709	289,548	

BALANCE SHEET

Liabilities and Other Credits (a)	Balance End of Year (b)	Balance First of Year (c)	
PROPRIETARY CAPITAL			
Capital Paid in by Municipality (200)	54,086	54,086	21
Appropriated Earned Surplus (215)			22
Unappropriated Earned Surplus (216)	109,566	89,800	23
Total Proprietary Capital	163,652	143,886	
LONG-TERM DEBT			
Bonds (221)			24
Advances from Municipality (223)	0		25
Other long-Term Debt (224)	0		26
Total Long-Term Debt	0	0	
CURRENT AND ACCRUED LIABILITIES			
Notes Payable (231)	0		27
Accounts Payable (232)	0	1,145	28
Payables to Municipality (233)	2,436	1,447	29
Customer Deposits (235)			30
Taxes Accrued (236)	920	799	31
Interest Accrued (237)	0	0	32
Other Current and Accrued Liabilities (238)	10,027	16,184	33
Total Current and Accrued Liabilities	13,383	19,575	
DEFERRED CREDITS			
Unamortized Premium on Debt (251)	0		34
Customer Advances for Construction (252)			35
Other Deferred Credits (253)	0		36
Total Deferred Credits	0	0	
OPERATING RESERVES			
Miscellaneous Operating Reserves (265)			37
Total Operating Reserves	0	0	
CONTRIBUTIONS IN AID OF CONSTRUCTION			
Contributions in Aid of Construction (271)	127,674	126,087	38
Total Liabilities and Other Credits	304,709	289,548	

NET UTILITY PLANT

Report utility plant accounts and related accumulated provisions for depreciation and amortization after allocation of common plant accounts and related provisions for depreciation and amortization to utility departments as of December 31.

Particulars (a)	Water (b)	Sewer (c)	Gas (d)	Electric (e)	
Plant Accounts:					
Utility Plant in Service (100)	347,926	0	0	0	1
Utility Plant Purchased or Sold (391)					2
Utility Plant in Process of Reclassification (392)					3
Utility Plant Leased to Others (393)					4
Property Held for Future Use (394)					5
Construction Work in Progress (395)					6
Utility Plant Acquisition Adjustments (396)					7
Other Utility Plant Adjustments (397)					8
Total Utility Plant	347,926	0	0	0	
Accumulated Provision for Depreciation and Amortization:					
Accumulated Provision for Depreciation of Utility Plant in Service (110)	134,779	0	0	0	9
Total Accumulated Provision	134,779	0	0	0	
Net Utility Plant	213,147	0	0	0	

ACCUMULATED PROVISION FOR DEPRECIATION AND AMORTIZATION OF UTILITY PLANT

Depreciation Accruals (Credits) during the year:

1. Report the amounts charged in the operating sections to Depreciation Expense (403).
2. If sewer operations are nonregulated, do not report sewer depreciation on this schedule.
3. Report the Depreciation Expense on Meters charged to sewer operations as an addition in the Water column.
If the sewer is also a regulated utility by the PSC, report an equal amount as a reduction in the Sewer column.
4. Report all other accruals charged to other accounts, such as to clearing accounts.

Particulars (a)	Water (b)	(c)	(d)	(e)	Total (f)	
Balance first of year	128,357				128,357	1
Credits During Year						2
Accruals:						3
Charged depreciation expense (403)	6,223				6,223	4
Depreciation expense on meters						5
charged to sewer (see Note 3)	199				199	6
Accruals charged other						7
accounts (specify):						8
					0	9
Salvage					0	10
Other credits (specify):						11
					0	12
Total credits	6,422	0	0	0	6,422	13
Debits during year						14
Book cost of plant retired	0				0	15
Cost of removal					0	16
Other debits (specify):						17
					0	18
Total debits	0	0	0	0	0	19
Balance End of Year	134,779	0	0	0	134,779	20
Composite Depreciation Rate?	Yes					21
If yes, what is the rate?	1.90%					22

NET NONUTILITY PROPERTY (ACCTS. 121 & 122)

1. Report separately each item of property with a book cost of \$5,000 or more included in account 121.
2. Other items may be grouped by classes of property.
3. Describe in detail any investment in sewer department carried in this account.

Description (a)	Balance First of Year (b)	Additions During Year (c)	Deductions During Year (d)	Balance End of Year (e)	
Nonregulated sewer plant	0			0	1
Other (specify):					
NONE				0	2
Total Nonutility Property (121)	0	0	0	0	
Less accum. prov. depr. & amort. (122)				0	3
Net Nonutility Property	0	0	0	0	

ACCUMULATED PROVISION FOR UNCOLLECTIBLE ACCOUNTS-CR. (ACCT. 144)

Particulars (a)	Amount (b)	
Balance first of year	0	1
Additions:		
Provision for uncollectibles during year	0	2
Collection of accounts previously written off: Utility Customers	0	3
Collection of accounts previously written off: Others	0	4
Total Additions	0	
Deductions:		
Accounts written off during the year: Utility Customers	0	5
Accounts written off during the year: Others	0	6
Total accounts written off	0	
Balance end of year	0	

MATERIALS AND SUPPLIES

Account (a)	Generation (b)	Transmission (c)	Distribution (d)	Other (e)	Total End of Year (f)	Amount Prior Year (g)
Electric Utility						
Fuel for generation					0	1
Other					0	2
Total Electric Utility					<u>0</u>	<u>0</u>

Account	Total End of Year	Amount Prior Year	
Electric utility total	0	0	1
Water utility	0	0	2
Sewer utility			3
Gas utility			4
Merchandise			5
Other materials & supplies			6
Total Materials and Supplies	<u>0</u>	<u>0</u>	

UNAMORTIZED DEBT DISCOUNT & EXPENSE & PREMIUM ON DEBT (ACCTS. 181 AND 251)

Report net discount and expense or premium separately for each security issue.

Debt Issue to Which Related (a)	Written Off During Year		Balance End of Year (d)	
	Amount (b)	Account Charged or Credited (c)		
Unamortized debt discount & expense (181)				
NONE	0	0	0	1
Total			<u>0</u>	
Unamortized premium on debt (251)				
Total			<u><u>0</u></u>	2

CAPITAL PAID IN BY MUNICIPALITY (ACCT. 200)

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D, sewer and privates) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Amount (b)	
Balance first of year	54,086	1
Changes during year (explain):		
NONE		2
Balance end of year	54,086	

BONDS (ACCT. 221)

1. Report hereunder information required for each separate issue of bonds.
2. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.
3. Proceeds advanced by the municipality from sale of general obligation bonds, if repayable by utility, should be included in account 223.

Description of Issue (a)	Date of Issue (b)	Final Maturity Date (c)	Interest Rate (d)	Principal Amount End of Year (e)
-------------------------------------	----------------------------------	--	----------------------------------	---

NONE

NOTES PAYABLE & MISCELLANEOUS LONG-TERM DEBT

1. Report each class of debt included in Accounts 223, 224 and 231.
2. Proceeds of general obligation issues, if subject to repayment by the utility, should be included in Account 223.
3. If there is more than one interest rate for an aggregate obligation issue, average the interest rates and report one rate.

Account and Description of Obligation (a and b)	Date of Issue (c)	Final Maturity Date (d)	Interest Rate (e)	Principal Amount End of Year (f)
--	----------------------------------	--	----------------------------------	---

NONE

TAXES ACCRUED (ACCT. 236)

Particulars (a)	Amount (b)	
Balance first of year	799	1
Accruals:		
Charged water department expense	3,792	2
Charged electric department expense		3
Charged sewer department expense		4
Other (explain):		
PAYROLL TAXES	1,038	5
Total Accruals and other credits	4,830	
Taxes paid during year:		
County, state and local taxes	3,593	6
Social Security taxes	1,038	7
PSC Remainder Assessment	78	8
Other (explain):		
NONE		9
Total payments and other debits	4,709	
Balance end of year	920	

INTEREST ACCRUED (ACCT. 237)

1. Report below interest accrued on each utility obligation.
 2. Report Customer Deposits under Account 231.

Description of Issue (a)	Interest Accrued Balance First of Year (b)	Interest Accrued During Year (c)	Interest Paid During Year (d)	Interest Accrued Balance End of Year (e)	
Bonds (221)					
NONE				0	1
Subtotal	0	0	0	0	
Advances from Municipality (223)					
NONE				0	2
Subtotal	0	0	0	0	
Other long-Term Debt (224)					
NONE				0	3
Subtotal	0	0	0	0	
Notes Payable (231)					
NONE				0	4
Subtotal	0	0	0	0	
Total	0	0	0	0	

CONTRIBUTIONS IN AID OF CONSTRUCTION (ACCOUNT 271)

Particulars (a)	Water (b)	Electric		Sewer (e)	Gas (f)	Total (g)	
		Distribution (c)	Other (d)				
Balance First of Year	126,087					126,087	1
Add credits during year:							
For Services						0	2
For Mains						0	3
Other (specify):							
CONNECTION TO THE SYSTEM BY GARY GEHRT	1,587					1,587	4
Deduct charges (specify):							
NONE						0	5
Balance End of Year	127,674	0	0	0	0	127,674	
Amount of federal and state grants in aid received for utility construction included in End of Year totals						0	6

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Investment in Municipality (123):		
NONE		1
Total (Acct. 123):	0	
Other Investments (124):		
DEFERRED SPECIAL ASSESSMENTS	1,411	2
Total (Acct. 124):	1,411	
Special Funds (125):		
NONE		3
Total (Acct. 125):	0	
Notes Receivable (141):		
NONE		4
Total (Acct. 141):	0	
Customer Accounts Receivable (142):		
Water	8,696	5
Electric		6
Sewer (Regulated)		7
Other (specify):		
NONE		8
Total (Acct. 142):	8,696	
Other Accounts Receivable (143):		
Sewer (Non-regulated)		9
Merchandising, jobbing and contract work		10
Other (specify):		
NONE		11
Total (Acct. 143):	0	
Receivables from Municipality (145):		
NONE		12
Total (Acct. 145):	0	
Prepayments (165):		
NONE		13
Total (Acct. 165):	0	
Extraordinary Property Losses (182):		
NONE		14
Total (Acct. 182):	0	
Other Deferred Debits (183):		
NONE		15
Total (Acct. 183):	0	

BALANCE SHEET END-OF-YEAR ACCOUNT BALANCES

Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D) and all other lesser amounts grouped as Miscellaneous. Describe fully using other than account titles.

Particulars (a)	Balance End of Year (b)	
Payables to Municipality (233):		
VILLAGE	2,436	16
Total (Acct. 233):	2,436	
Other Deferred Credits (253):		
NONE		17
Total (Acct. 253):	0	

RETURN ON RATE BASE COMPUTATION

1. The data used in calculating rate base are averages.
2. Calculate those averages by summing the first-of-year and the end-of-year figures for each account and then dividing the sum by two.
3. Note: Do not include property held for future use or construction work in progress with utility plant in service. These are not rate base components.

Average Rate Base (a)	Water (b)	Electric (c)	Sewer (d)	Gas (e)	Total (f)	
Add Average:						
Utility Plant in Service	347,491	0	0	0	347,491	1
Materials and Supplies	0	0	0	0	0	2
Other (specify):						
NONE					0	3
Less Average:						
Reserve for Depreciation	131,568	0	0	0	131,568	4
Customer Advances for Construction					0	5
Contributions in Aid of Construction	126,880	0	0	0	126,880	6
Other (specify):						
NONE					0	7
Average Net Rate Base	89,043	0	0	0	89,043	
Net Operating Income	18,409	0	0	0	18,409	8
Net Operating Income as a percent of Average Net Rate Base	20.67%	N/A	N/A	N/A	20.67%	

RETURN ON PROPRIETARY CAPITAL COMPUTATION

1. The data used in calculating proprietary capital are averages.
2. Calculate those averages by summing the first-of-year and end-of-year figures for each account and then dividing by two.

Description (a)	Amount (b)	
Average Proprietary Capital		
Capital Paid in by Municipality	54,086	1
Appropriated Earned Surplus	0	2
Unappropriated Earned Surplus	99,683	3
Other (Specify):		
NONE		4
Total Average Proprietary Capital	153,769	
Net Income		
Net Income	19,766	5
Percent Return on Proprietary Capital	12.85%	

IMPORTANT CHANGES DURING THE YEAR

Report changes of any of the following types:

1. Acquisitions.

2. Leaseholder changes.

3. Extensions of service.

4. Estimated changes in revenues due to rate changes.

5. Obligations incurred or assumed, excluding commercial paper.

6. Formal proceedings with the Public Service Commission.

7. Any additional matters.

FINANCIAL SECTION FOOTNOTES

Identification and Ownership (Page iv)

October 12, 1998

Ms. Joann Polzin, Clerk
Embarrass Water & Sewer Utility
P.O. Box 126
Embarrass, WI 54933-0126

1997 Analytical Review DWCCA-1860-PJL

Dear Ms. Polzin:

The Public Service Commission (Commission) is in the process of completing an analytical review of your utility's 1997 annual report. The purposes of an analytical review are to detect possible reporting or accounting related errors and to identify significant fluctuations from established trends in reported data not sufficiently explained in the annual report. It is our hope that our review will supply information that will enable us to better provide guidance to your utility regarding proper utility accounting and the preparation of future annual reports. In order to complete this review, we request the following information:

1. Paragraph No. 1 of our letter dated September 30, 1996, with regard to analytical review of the 1995 annual report, authorized a revised composite depreciation rate of 2.11 percent, to be effective on January 1, 1997. The revised rate of 2.11 percent was not used during 1997, rather the old rate of 1.90 percent was used as reported on page F-7, line 22. Please confirm that the revised composite depreciation rate of 2.11 percent will be used beginning in 1998.

2. During our review we noted that your Cz-1 rate schedule authorizes a charge of \$350.00 for ¾ or 1 inch services and you report one ¾ inch service as added during the year in column (d) of the water services schedule on page W-15. In the footnotes for page W-15 you explained that the service addition was financed by the customer. Please explain the \$1,587 reported as a contribution in aid of construction on page F-17 described as connection to the system by Gary Gehrt.

We appreciate your cooperation in providing the above information. These recommendations are intended to provide accounting assistance and should not be construed as criticisms of utility personnel. If you have any questions, please feel free to contact me at (608) 267-9198.

Please respond within 30 days of this letter. If we have no questions regarding your response, you can consider the review closed.

Sincerely,

Peter J. Leege
Financial Specialist
Division of Water, Compliance, and Consumer Affairs

FINANCIAL SECTION FOOTNOTES

pjl:W:\COMPL\LEEGE\1860 ar

WATER OPERATING REVENUES & EXPENSES

Particulars (a)	Amounts (b)	
Operating Revenues		
Sales of Water		
Sales of Water (460-467)	50,177	1
Total Sales of Water	50,177	
Other Operating Revenues		
Forfeited Discounts (470)	101	2
Other Water Revenues (474)	547	3
Amortization of Construction Grants (475)	0	4
Total Other Operating Revenues	648	
Total Operating Revenues	50,825	
Operation and Maintenance Expenses		
Plant Operation and Maintenance Expenses (600-660)	13,969	5
General Operating Expenses (680-690)	8,432	6
Total Operation and Maintenance Expenses	22,401	
Other Operating Expenses		
Depreciation Expense (403)	6,223	7
Amortization Expense (404)	0	8
Taxes (408)	3,792	9
Total Other Operating Expenses	10,015	
Total Operating Expenses	32,416	
NET OPERATING INCOME	18,409	

WATER OPERATING REVENUES - SALES OF WATER

1. Where customer meters record cubic feet, multiply by 7.48 to obtain number of gallons.
2. Report estimated gallons for unmetered sales.
3. Sales to multiple dwelling buildings through a single meter serving 3 or more family units should be classified commercial.
4. Bulk sales should be account 460.

Particulars (a)	Average No. Customers (b)	Thousands of Gallons of Water Sold (c)	Amounts (d)	
Operating Revenues				
Sales of Water				
Unmetered Sales to General Customers (460)				
Residential				1
Commercial				2
Industrial				3
Total Unmetered Sales to General Customers (460)	0	0	0	
Metered Sales to General Customers (461)				
Residential	145	6,836	21,609	4
Commercial	17	6,009	11,636	5
Industrial	1	89	215	6
Total Metered Sales to General Customers (461)	163	12,934	33,460	
Private Fire Protection Service (462)	1		664	7
Public Fire Protection Service (463)	1		15,964	8
Other Sales to Public Authorities (464)	1	15	89	9
Sales to Irrigation Customers (465)				10
Sales for Resale (466)		0	0	11
Interdepartmental Sales (467)				12
Total Sales of Water	166	12,949	50,177	

SALES FOR RESALE (ACCT. 466)

Use a separate line for each delivery point.

Customer Name (a)	Point of Delivery (b)	Thousands of Gallons Sold (c)	Revenues (d)
------------------------------------	--	--	-------------------------------

NONE

OTHER OPERATING REVENUES (WATER)

1. Report revenues relating to each account and fully describe each item using other than the account title.
2. Report each item (when individually or when like items are combined) greater than \$10,000 (class AB), \$5,000 (class C) and \$2,000 (class D and privates) and all other lesser amounts grouped as Miscellaneous.
3. For a combined utility which also provides sewer service that is based upon water readings, report the return on net investment in meters charged to sewer department in Other Water Revenues (474).

Particulars (a)	Amount (b)	
Public Fire Protection Service (463):		
Amount billed (usually per rate schedule F-1)	15,864	1
Wholesale fire protection billed		2
Amount billed for fighting fires outside utility's service areas (usually per rate schedule F-2 or BW-1)		3
Other (specify):		
TOWN OF BELLEVUE PLAN	100	4
Total Public Fire Protection Service (463)	15,964	
Forfeited Discounts (470):		
Customer late payment charges	101	5
Other (specify):		
NONE		6
Total Forfeited Discounts (470)	101	
Other Water Revenues (474):		
Return on net investment in meters charged to sewer department	228	7
Other (specify):		
MISC	319	8
Total Other Water Revenues (474)	547	
Amortization of Construction Grants (475):		
NONE		9
Total Amortization of Construction Grants (475)	0	

WATER OPERATION & MAINTENANCE EXPENSES

Each expense account that has an increase or a decrease when compared to the previous year of greater than 30 percent, but not less than \$2,000, shall be fully explained in the schedule footnotes.

Particulars (a)	Amount (b)	
PLANT OPERATION AND MAINTENANCE EXPENSES		
Salaries and Wages (600)	8,723	1
Purchased Water (610)		2
Fuel or Power Purchased for Pumping (620)	1,827	3
Chemicals (630)		4
Supplies and Expenses (640)	1,137	5
Repairs of Water Plant (650)	891	6
Transportation Expenses (660)	1,391	7
Total Plant Operation and Maintenance Expenses	13,969	
GENERAL OPERATING EXPENSES		
Administrative and General Salaries (680)	2,425	8
Office Supplies and Expenses (681)	485	9
Outside Services Employed (682)	2,162	10
Insurance Expense (684)	1,295	11
Employees Pensions and Benefits (686)	1,262	12
Regulatory Commission Expenses (688)		13
Miscellaneous General Expenses (689)	803	14
Uncollectible Accounts (690)		15
Total General Operating Expenses	8,432	
Total Operation and Maintenance Expenses	22,401	

TAXES (ACCT. 408 - WATER)

When allocation of taxes is made between departments, explain method used.
--

Description of Tax (a)	Method Used to Allocate Between Departments (b)	Amount (c)	
Property Tax Equivalent		3,784	1
Less: Local and School Tax Equivalent on Meters Charged to Sewer Department		70	2
Net property tax equivalent		3,714	
Social Security			3
PSC Remainder Assessment		78	4
Other (specify): NONE			5
Total tax expense		3,792	

PROPERTY TAX EQUIVALENT (WATER)

1. No property tax equivalent shall be determined for sewer utilities or town sanitary district water utilities.
2. Tax rates are those issued in November (usually) of the year being reported and are available from the municipal treasurer. Report the tax rates in mills to six (6) decimal places.
3. The assessment ratio is available from the municipal treasurer. Report the ratio as a decimal to six (6) places.
4. The utility plant balance first of year should include the gross book values of plant in service, property held for future use and construction work in progress.
5. An "other tax rate" is included in the "Net Local and School Tax Rate Calculation" to the extent that it is local. An example is a local library tax. Fully explain the rate in the Property Tax Equivalent schedule footnotes.
6. The Property Tax Equivalent to be reported for the year is determined pursuant to Wis. Stat § 66.069(1)(c). Report the higher of the current year calculation or the tax equivalent reported in the 1994 PSC annual report, unless, the municipality has authorized a lower amount, then that amount is reported as the property tax equivalent.
7. If the municipality has authorized a lower amount, the authorization description and date of the authorization must be reported in the Property Tax Equivalent schedule footnotes.

Particulars (a)	Units (b)	Total (c)	County A (d)	County B (e)	County C (f)	County D (g)	
County name			Waupaca				1
SUMMARY OF TAX RATES							2
State tax rate	mills		0.204501				3
County tax rate	mills		5.714700				4
Local tax rate	mills		2.595108				5
School tax rate	mills		11.760128				6
Voc. school tax rate	mills		1.725560				7
Other tax rate - Local	mills						8
Other tax rate - Non-Local	mills						9
Total tax rate	mills		21.999997				10
Less: state credit	mills		2.251000				11
Net tax rate	mills		19.748997				12
PROPERTY TAX EQUIVALENT CALCULATION							13
Local Tax Rate	mills		2.595108				14
Combined School Tax Rate	mills		13.485688				15
Other Tax Rate - Local	mills						16
Total Local & School Tax	mills		16.080796				17
Total Tax Rate	mills		21.999997				18
Ratio of Local and School Tax to Total	dec.		0.730945				19
Total tax net of state credit	mills		19.748997				20
Net Local and School Tax Rate	mills		14.435438				21
Utility Plant, Jan. 1	\$	347,056	347,056				22
Materials & Supplies	\$	0					23
Subtotal	\$	347,056	347,056				24
Less: Plant Outside Limits	\$	138,250	138,250				25
Taxable Assets	\$	208,806	208,806				26
Assessment Ratio	dec.		0.997036				27
Assessed Value	\$	208,187	208,187				28
Net Local & School Rate	mills		14.435438				29
Tax Equiv. Computed for Current Year	\$	3,005	3,005				30
Tax Equivalent per 1994 PSC Report	\$	3,784					31
Any lower tax equivalent as authorized by municipality (see note 6)	\$						32
Tax equiv. for current year (see note 6)	\$	3,784					34

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
INTANGIBLE PLANT			
Organization (301)	268		1
Franchises and Consents (302)			2
Miscellaneous Intangible Plant (303)			3
Total Intangible Plant	268	0	
 SOURCE OF SUPPLY PLANT			
Land and Land Rights (310)	9,349		4
Structures and Improvements (311)			5
Collecting and Impounding Reservoirs (312)			6
Lake, River and Other Intakes (313)			7
Wells and Springs (314)	34,784		8
Infiltration Galleries and Tunnels (315)			9
Supply Mains (316)			10
Other Water Source Plant (317)			11
Total Source of Supply Plant	44,133	0	
 PUMPING PLANT			
Land and Land Rights (320)			12
Structures and Improvements (321)	54,090		13
Boiler Plant Equipment (322)			14
Other Power Production Equipment (323)			15
Steam Pumping Equipment (324)			16
Electric Pumping Equipment (325)	18,199		17
Diesel Pumping Equipment (326)			18
Hydraulic Pumping Equipment (327)			19
Other Pumping Equipment (328)	3,739		20
Total Pumping Plant	76,028	0	
 WATER TREATMENT PLANT			
Land and Land Rights (330)			21
Structures and Improvements (331)			22
Water Treatment Equipment (332)			23
Total Water Treatment Plant	0	0	
 TRANSMISSION AND DISTRIBUTION PLANT			
Land and Land Rights (340)	400		24
Structures and Improvements (341)			25

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)	
INTANGIBLE PLANT				
Organization (301)			268	1
Franchises and Consents (302)			0	2
Miscellaneous Intangible Plant (303)			0	3
Total Intangible Plant	0	0	268	
SOURCE OF SUPPLY PLANT				
Land and Land Rights (310)			9,349	4
Structures and Improvements (311)			0	5
Collecting and Impounding Reservoirs (312)			0	6
Lake, River and Other Intakes (313)			0	7
Wells and Springs (314)			34,784	8
Infiltration Galleries and Tunnels (315)			0	9
Supply Mains (316)			0	10
Other Water Source Plant (317)			0	11
Total Source of Supply Plant	0	0	44,133	
PUMPING PLANT				
Land and Land Rights (320)			0	12
Structures and Improvements (321)			54,090	13
Boiler Plant Equipment (322)			0	14
Other Power Production Equipment (323)			0	15
Steam Pumping Equipment (324)			0	16
Electric Pumping Equipment (325)			18,199	17
Diesel Pumping Equipment (326)			0	18
Hydraulic Pumping Equipment (327)			0	19
Other Pumping Equipment (328)			3,739	20
Total Pumping Plant	0	0	76,028	
WATER TREATMENT PLANT				
Land and Land Rights (330)			0	21
Structures and Improvements (331)			0	22
Water Treatment Equipment (332)			0	23
Total Water Treatment Plant	0	0	0	
TRANSMISSION AND DISTRIBUTION PLANT				
Land and Land Rights (340)			400	24
Structures and Improvements (341)			0	25

WATER UTILITY PLANT IN SERVICE

1. All adjustments, corrections and reclassifications should be reported in Column (f), Adjustments.
2. Explain fully as a schedule footnote the nature of all entries reported in Column (f), Adjustments.
3. Explain as a schedule footnote the dollar additions and retirements reported in Columns (c) and (e) for each account over \$10,000 not supported by statistical schedules.
4. Use only the account titles listed. If the utility has subaccounts other than account 372.1, combine them into one total and detail by subaccount as a schedule footnote.

Accounts (a)	Balance First of Year (b)	Additions During Year (c)	
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)	21,949		26
Transmission and Distribution Mains (343)	156,832		27
Fire Mains (344)			28
Services (345)	17,027	250	29
Meters (346)	9,949		30
Hydrants (348)	11,693		31
Other Transmission and Distribution Plant (349)			32
Total Transmission and Distribution Plant	217,850	250	
GENERAL PLANT			
Land and Land Rights (370)			33
Structures and Improvements (371)			34
Office Furniture and Equipment (372)			35
Computer Equipment (372.1)			36
Transportation Equipment (373)	5,579		37
Other General Equipment (379)	3,198	620	38
Other Tangible Property (390)			39
Total General Plant	8,777	620	
Total utility plant in service directly assignable	347,056	870	
Common Utility Plant Allocated to Water Department			40
Total utility plant in service	347,056	870	

WATER UTILITY PLANT IN SERVICE (cont.)

Accounts (d)	Retirements During Year (e)	Adjustments Increase or (Decrease) (f)	Balance End of Year (g)
TRANSMISSION AND DISTRIBUTION PLANT			
Distribution Reservoirs and Standpipes (342)			21,949 26
Transmission and Distribution Mains (343)			156,832 27
Fire Mains (344)			0 28
Services (345)			17,277 29
Meters (346)			9,949 30
Hydrants (348)			11,693 31
Other Transmission and Distribution Plant (349)			0 32
Total Transmission and Distribution Plant	0	0	218,100
GENERAL PLANT			
Land and Land Rights (370)			0 33
Structures and Improvements (371)			0 34
Office Furniture and Equipment (372)			0 35
Computer Equipment (372.1)			0 36
Transportation Equipment (373)			5,579 37
Other General Equipment (379)			3,818 38
Other Tangible Property (390)			0 39
Total General Plant	0	0	9,397
Total utility plant in service directly assignable	0	0	347,926
Common Utility Plant Allocated to Water Department			0 40
Total utility plant in service	0	0	347,926

SOURCE OF SUPPLY, PUMPING AND PURCHASED WATER STATISTICS

Month (a)	Sources of Water Supply			Total Gallons All Methods (000's) (e)	
	Purchased Water Gallons (000's) (b)	Surface Water Gallons (000's) (c)	Ground Water Gallons (000's) (d)		
January			1,082	1,082	1
February			931	931	2
March			1,055	1,055	3
April			1,068	1,068	4
May			1,182	1,182	5
June			1,368	1,368	6
July			1,159	1,159	7
August			1,188	1,188	8
September			1,178	1,178	9
October			1,086	1,086	10
November			1,223	1,223	11
December			1,050	1,050	12
Total for year	0	0	13,570	13,570	
Less: Measured or estimated water used in main flushing and water treatment during year				20	13
Less: Other utility use					14
Other utility use explanation:					15
Water pumped into distribution system				13,550	16
Less: Water sold				12,949	17
Losses and unaccounted for				601	18
Percent unaccounted for to the nearest whole percent (%)				4%	19
If more than 25%, indicate causes and state what action has been taken to reduce water loss:					20
Maximum gallons pumped by all methods in any one day during reporting year				54	21
Date of maximum: 9/16/1997					22
Cause of maximum:					23
OVERFLOW THE WATER TOWER					
Minimum gallons pumped by all methods in any one day during reporting year				19	24
Date of minimum: 10/21/1997					25
Total KWH used for pumping for the year				28,631	26
If water is purchased:Vendor Name:					27
Point of Delivery:					28

SOURCES OF WATER SUPPLY - GROUND WATERS

Location (a)	Identification Number (b)	Depth in feet (c)	Well Diameter in inches (d)	Yield Per Day in gallons (e)	Currently In Service? (f)	
WELL ROAD-VILLAGE OF EMBARR #1		84	16	61,000	Yes	1
ROUND LAKE-BELLE PLAINE TOWI #3		53	16	60,000	Yes	2

SOURCES OF WATER SUPPLY - SURFACE WATERS

Location (a)	Intakes			
	Identification Number (b)	Distance From Shore in feet (c)	Depth Below Surface in feet (d)	Diameter in inches (e)
NONE				

1

PUMPING & POWER EQUIPMENT

1. Use a separate column for each pump.
2. Indicate purpose of pump by: P for primary (from source to reservoir, treatment or distribution system), B for booster (from reservoir or treatment to distribution system, or within distribution system), or S for standby pumping equipment.
3. Indicate destination (of water pumped) by: R for reservoir, T for treatment or D for distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)	
Identification	#1	#3	STAND-BY	1
Location	EMBARRASS	EMBARRASS	EMBARRASS	2
Purpose	P	P	S	3
Destination	D	D	D	4
Pump Manufacturer	LAYNE NW	LAYNE NW	LAYNE NW	5
Year Installed	1960	1976	1960	6
Type	VERTICAL TURBINE	VERTICAL TURBINE	VERTICAL TURBINE	7
Actual Capacity (gpm)	0	0	0	8
Pump Motor or Standby Engine Mfr	LAYNE NW	LAYNE NW	LAYNE NW	9
Year Installed	1960	1976	1960	10
Type	ELECTRIC	ELECTRIC	ELECTRIC	11
Horsepower	150	150	150	12
				13

Particulars (a)	Unit D (b)	Unit E (c)	Unit F (d)	
Identification				14
Location				15
Purpose				16
Destination				17
Pump Manufacturer				18
Year Installed				19
Type				20
Actual Capacity (gpm)				21
Pump Motor or Standby Engine Mfr				22
Year Installed				23
Type				24
Horsepower				25
				26

RESERVOIRS, STANDPIPES & WATER TREATMENT

1. Identify as R (reservoir), S (standpipe) & ET (elevated tank).
2. Use a separate column for each using additional copies if necessary.
3. Enter elevation difference between highest water level in S or ET, (or R only on an elevated site) and the water main where the connection to the storage begins branching into the distribution system.

Particulars (a)	Unit A (b)	Unit B (c)	Unit C (d)
Identification number or name	UNIVERSAL		1
RESERVOIRS, STANDPIPES			2
OR ELEVATED TANKS			3
Type: R (reservoir), S (standpipe)			4
or ET (elevated tank)	S		5
Year constructed	1960		6
Primary material (earthen, steel,			7
concrete, other)	STEEL		8
Elevation difference in feet			9
(See Headnote 3.)	110		10
Total capacity in gallons	50,000		11
WATER TREATMENT PLANT			12
Disinfection, type of equipment			13
(gas, liquid, powder, other)			14
Points of application			15
(wellhouse, central facilities,			16
booster station, other)			17
Filters, type (gravity, pressure,			18
other, none)			19
Rated capacity of filter plant			20
(m.g.d.) (note: 1,200,000 gal/day			21
= 1.2 m.g.d.)			22
Is a corrosion control chemical			23
used (yes, no)?			24
Is water fluoridated (yes, no)?			25

WATER MAINS

1. Report mains separately by pipe material, function, diameter and either within or outside the municipal boundaries.
2. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement), or P (Plastic for plastic and all other non-metal excluding asbestos-cement).
3. Identify function as: T (Transmission), D (Distribution) or S (Supply).
4. Explain all reported adjustments as a schedule footnote.
5. For main additions reported in column (e), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If the assessments are deferred, explain.

Number of Feet							
Pipe Material (a)	Main Function (b)	Diameter in Inches (c)	First of Year (d)	Added During Year (e)	Retired During Year (f)	Adjustments Increase or (Decrease) (g)	End of Year (h)
A	D	6.000	8,651				8,651
A	D	8.000	45,271				45,271
M	D	8.000	179				179
A	D	10.000	500				500
Total Within Municipality			54,601	0	0	0	54,601
A	D	10.000	5,940				5,940
Total Outside of Municipality			5,940	0	0	0	5,940
Total Utility			60,541	0	0	0	60,541

WATER SERVICES

1. Explain all reported adjustments as a schedule footnote.
2. Report in column (h) the number of utility-owned services included in columns (c) through (g) which are temporarily shut off at the curb box or otherwise not in use at end of year.
3. For services added during the year in column (d), as a schedule footnote:
 - a. Explain how the additions were financed.
 - b. If assessed against property owners, explain the basis of the assessments.
 - c. If installed by a property owner or developer, explain the basis of recording the cost of the additions, the total amount and the number of services recorded under this method.
 - d. If any were financed by application of Cz-1, provide the total amount recorded and the number of services recorded under this method.
4. Report services separately by pipe material and diameter.
5. Identify pipe material as: L (Lead), M (Metal for all other metal excluding lead), A (Asbestos-cement) or P (Plastic for plastic and all other non-metal excluding asbestos-cement).

Pipe Material (a)	Diameter in Inches (b)	First of Year (c)	Added During Year (d)	Removed or Permanently Disconnected During Year (e)	Adjustments Increase or (Decrease) (f)	End of Year (g)	Utility Owned Services Not In Use at End of Year (h)	
M	0.750	143	1			144		1
M	1.000	15				15	1	2
M	2.000	1				1		3
M	4.000	1				1		4
Total Utility		160	1	0	0	161	1	

METERS

1. Include in Columns (b), (c), (d), (e) and (f) meters in stock as well as those in service.
2. Report in Column (c) all meters purchased during the year and in Column (d) all meters junked, sold or otherwise permanently retired during the year.
3. Use Column (e) to show correction to previously reported meter count because of inventory or property record corrections.
4. Totals by size in Column (f) should equal same size totals in Column (o).

Number of Utility-Owned Meters

Size of Meter (a)	First of Year (b)	Added During Year (c)	Retired During Year (d)	Adjustments Increase or (Decrease) (e)	End of Year (f)	Tested During Year (g)	
0.625	159			1	160	28	1
1.000	1				1		2
1.500	2				2		3
2.000	2				2		4
Total:	164	0	0	1	165	28	

Classification of All Meters at End of Year by Customers

Size of Meter (h)	Residential (i)	Commercial (j)	Industrial (k)	Public Authority (l)	Wholesale, Inter-Department or Utility Use (m)	In Stock and Deduct Meters (n)	Total (o)	
0.625	145	13	1	1			160	1
1.000	1						1	2
1.500		2					2	3
2.000		2					2	4
Total:	146	17	1	1	0	0	165	

HYDRANTS AND DISTRIBUTION SYSTEM VALVES

1. Distinguish between fire and flushing hydrants by lead size.
 - a. Fire hydrants normally have a lead size of 6 inches or greater.
 - b. Record as a flushing hydrant where the lead size is less than 6 inches or if pressure is inadequate to provide fire flow.
2. Explain all reported adjustments in the schedule footnotes.
3. Report fire hydrants as within or outside the municipal boundaries.

Hydrant Type (a)	Number In Service First of Year (b)	Added During Year (c)	Removed During Year (d)	Adjustments Increase or (Decrease) (e)	Number In Service End of Year (f)	
Fire Hydrants						
Outside of Municipality					0	1
Within Municipality	42				42	2
Total Fire Hydrants	42	0	0	0	42	
Flushing Hydrants						
					0	3
Total Flushing Hydrants	0	0	0	0	0	

Wis. Admin. Code § 185.87 requires that a schedule shall be adopted and followed for operating each system valve and hydrant at least once each two years. Report the number operated during the year

Number of hydrants operated during year:	42
Number of distribution system valves end of year:	42
Number of distribution valves operated during year:	25

WATER OPERATING SECTION FOOTNOTES

Water Services (Page W-16)

ADDITION WAS FINANCED BY CUSTOMER.
